(c) whether Government would consider on restricting the private companies from using their own cables;

(d) if so, by when; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) No, Sir.

(b) Does not arise in view of (a) above.

(c) No, Sir.

(d) Does not arise in view of (c) above.

(e) As per the terms and conditions of Licence Agreement private operators are authorised to build up their own infrastructure within their designated service area.

**P.C. penetration**

315. SHRI PRAMOD MAHAJAN: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) what is the PC penetration in the country;

(b) whether Government are satisfied with it; and

(c) if not, the steps Government propose to take to increase the PC penetration in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) PC penetration in the country is estimated to be 14 nos. per one thousand population.

(b) and (c) Government has taken a number of steps for growth of hardware sector and for increasing the PC penetration in the country. The steps taken by Government are given in the enclosed Statement.

***Statement***

*Steps taken by the Government to Promote the IT hardware sector*

1. National Common Minimum Programme (NCMP) of the Government emphasises on energizing and sustaining the growth of manufacturing industry including IT Hardware.

2. Approvals for all foreign direct investment upto 100% in the Hardware manufacturing sector are under the automatic route.

3. The Depreciation on Computers is allowed @ 60%.

4. Peak rate of customs duty continues to be 20%. customs duty on project imports with investment of at least Rs. 5 crore in plants and machinery is @10%. Customs duty on Computers and Peripherals is @ 10%. All storage devices, integrated circuits, microprocessors, data display tubes and deflection components of colour monitors are at 0%. customs duty on parts of computers and SMPS in fully exempted. Customs duty on Information Technology Agreement (ITA-1) bound items is as per commitments. Customs Duty on specified raw materials/inputs used for manufacture of electronic components or optical fibres/cables is @ 0%. customs duty on specified capital goods used for manufacture of electronic goods is @ 0%. Specified infrastructure equipment for basic/cellular/internet, V-SAT, radio paging and public mobile radio trunked services and parts of such equipment are exempted from basic customs duty. Customs duty exemption to mobile switching centers presently available to cellular mobile telephone service providers has been extended to imports by universal access service providers. Customs duty on cellphones, parts of Set Top Box continues at 5%. Laptops brought as part of baggage are exempted from customs duty.

5. Excise duty on computers is @ 0%. Microprocessors, Hard Disc Drives, Floppy Disc Drives and CD ROM Drives are exempted from excise duty. Pre-loaded software on PCs, Audio CDs, Recorded VCDs and DVDs, Cellular Phones, Radio trunking terminals, Portable receivers for calling, alerting or paging; parts, components and accessories of

mobile handsets including cellular phones, Set Top box remain exempted from excise duty.

6. Export Promotion Capital Goods scheme (EPCG) allows capital goods on payment of 5% customs duty. The Export Obligation under the scheme is linked to the duty saved and is 8 times the duty saved on capital goods imported, to be fulfilled over a period of 8 years. Import of second hand capital goods and import of capital goods for pre-production and post-production facilities are permitted under the scheme. Import of spares is also permitted to facilitate upgradation of existing plant and machinery.

7. Supplies of Information Tecnology Agreement (ITA-1) items and notified zero duty telecom/electronic items in the domestic Tariff Area (DTA) by Electronics Hardware Technology Park (EHTP) /Export Oriented Unit (EOU) units are counted for the purpose of fulfillment of positive Net Foreign Exchange Earnings (NFE).

8. Special Economic Zones (SEZs) are being set up to enable hassle free manufacturing and trading for export purposes. Sales from Domestic Tariff Area (DTA) to SEZs are being treated as physical export. This entitles domestic suppliers to drawback/DEPB benefits, CST exemption and Service Tax exemption.

9. 100% depreciation is available to computers and computer peripherals over a period of 5 years for EOU/EHTP units.

10. Customs clearances are based on self assessment and selective examination.

11. Second hand capital goods are freely importable.

12. EOU/EHTP units have been exempted from Service Tax in proportion to their exported goods and services.

13. EOU/EHTP units are eligible for Income Tax exemption on export profits, upto 2010, in terms of Sections 10A and 10B of the Income Tax Act.

14. Threshold limit for obtaining "Export House" status reduced to Rs. 5 crores from Rs. 15 crores for Small Scale Industry, tiny sector, cottage sector, units located in North East States/

Sikkim/J&K; exporters exporting to countries in Latin America/CIS/Sub Sahara Africa and units having ISO 9000 (Series) status. The status holders are eligible for the following special facilities:

— 100% retention of foreign exchange in Exchange Earners' Foreign Currency (EEFC) account;

— Enhancement in normal repatriation period from 180 days to 360 days.

15. All Star Export Houses (including Status holders) which have achieved a minimum export turnover in free foreign exchange of Rs. 10 crore in the previous licencing year are entitled for a duty credit based on incremental exports substantially higher than the general annual export target fixed.

16. To encourage re-location of industries to India, plant and machineries is permitted for import without a licence provided the depreciated value of such relocating plant exceeds Rs. 25 crore.

17. To induce more investment for Research and Development activities, a weighted deduction of 125% on the sums paid to any university, college or an institution or a Scientific research association for the purposes of scientific, social or statistical research is available.

**Setting up of Common Service Centres**

316. SHRI R.P. GOENKA: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that a framework has been formulated to set up ICT-enabled information and service kiosks, to be called 'Common Service Centres', in villages, to offer certain Government and private services on commercial basis;

(b) if so, the details thereof and the present status of its implementation; and

(c) the details of any specific scheme drawn up to motivate the kiosk operators to help proliferate the scheme, especially in the far-flung village clusters, etc?